GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:968
ANSWERED ON:06.03.2007
VIOLATION OF AGREEMENTS
Mahato Shri Sunil Kumar;Patel Shri Jivabhai Ambalal

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has formulated any policy to check cases of violation of contractual obligation between India and foreign companies;

(b) if so, the details thereof;

(c) the names of the companies against whom such actions have been taken during the last three years; and

(d) the measures taken/proposed to be taken by the Government to check recurrence of such violations in future?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b) Under Section 8 (1)(b) of Foreign Trade (Development & Regulation) Act 1992, if Director General of Foreign Trade has reason to believe that any person, i.e an Indian company / firm, has made an export or import in a manner gravely prejudicial to the trade relations of India with any foreign country or to the interests of other persons engaged in imports or exports or has brought disrepute to the credit or the goods of the country, Director General may call for the record or any other information from the person and may, after giving to that person a notice in writing informing him of the grounds on which it is proposed to suspend or cancel the Importer-exporter Code (IEC) Number and giving him a reasonable opportunity of making a representation in writing, suspend for a period as may be specified in the order, or cancel the IEC Number granted to that person.

(c) & (d) During last 3 years (calendar years 2004, 2005 and 2006), only in one case of Brilliant International, Mumbai, IEC Number was suspended for a period of one month. Suspension or cancellation of IEC Number ensures that the company / firm is not able to transact any import and / or export business.